

Democrats Say Bush Plan Could Endanger Disabled

March 10 2005

Dow Jones International News

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WASHINGTON (Dow Jones)--The U.S. House's No. 2 Democrat said Thursday President George W. Bush's Social Security private accounts plan could undermine benefit payments to the disabled.

"The president has completely failed to address how his proposal would guarantee that these Americans would not be plunged into poverty by a reduction in benefits," Rep. Steny Hoyer, D-Md., the House Democratic Whip, said at a press conference. Hoyer, joined by the mother of a disabled son and a disabled worker receiving Social Security disability payments, said Bush's Social Security private investment account would lead to deep benefit cuts.

Bush has proposed to let workers age 55 and under to invest up to 4 percentage points of their Social Security payroll taxes into stocks and bonds. He contends these accounts would yield a greater return than the current system, but hasn't detailed corresponding benefit cuts to bring the system into solvency.

Treatment of Social Security disability and survivor payments is significant, since such benefits amount to about one-third of the \$509 billion in Social Security benefits to be paid in 2005, according to the Social Security Administration.

White House spokesman Trent Duffy said "the president has made clear people with disabilities will be protected" from changes within Social Security.

Treasury Secretary John Snow briefly addressed the issue during questioning from Democrats last month before the House Budget Committee. Bush has "said that nothing should be done to diminish the well-being, the welfare of the disabled as a result of any of the fixes," Snow said. He didn't elaborate, saying it would be part of negotiations with Congress.

Deborah Mason of Waldorf, Md., mother of a 13-year-old son with a form of autism, told reporters she's concerned how Bush's plan might affect future Social Security benefits for her son.

"There has not been much public discussion by the Bush administration on exactly how the proposed private accounts would work for the disabled," Mason said.

The problem with private accounts is the disabled and survivors "simply won't have the luxury of time to grow their private accounts," said Rep. Jim Langevin, D-R.I., and chair of the House Democrats' Disability Caucus. That's because they currently draw benefits. Workers, by contrast, would wait some years before qualifying for benefits, allowing balances in private accounts to grow.

Hoyer said he personally opposes any cuts in disability benefits as part of a Social Security overhaul. But he acknowledged the issue could be part of eventual negotiations.

If Bush drops his private investment accounts plan, "we're fully prepared to sit down and talk about how we accomplish the objectives."

"Everything needs to be on the table to ensure that we keep Social Security solvent," Hoyer said.